



"Karen's List"

Karen's compilations of 2005 legislative actions focusing on 22nd District interests

Prepared by Senator Karen Fraser, 22nd District

Dear Constituents:

The 2005 legislative session was so remarkably productive! I enjoyed reviewing our final actions and preparing this list of enactments for you. It's divided into two main parts (after an introduction): local headlines and statewide headlines.

It's necessarily long, so I've prepared an outline with subject headings and page numbers to help you find what you are most interested in.

Outline of This Report's Content

Introductory information, Page 2

- A. My committee assignments
- B. My contact information
- C. Senate Democrats' goals and values
- D. Action data

I Local headlines – measures that passed, Page 4

- A. State employees
- B. State Capital improvements
- C. Higher education
- D. K-12
- E. Thurston County justice system
- F. Local area projects (non-transportation)
 - Housing and social services
 - Recreation, natural resources, and environment
 - Heritage projects funded
 - Community resources
- G. Transportation projects

II Statewide headlines – measures that passed, Page 9

- A. Higher education
- B. K-12 program increased by 9+ percent
- C. School construction increased by 40 percent
- D. Public safety – prisons v. schools
- E. Physical health care
- F. Mental health care
- G. Election reform

- H. Natural resources and environment
- I. Jobs and business
- J. Transportation
- K. Our heritage
- L. The arts
- M. Consumer and income protection
- N. Housing
- O. Revenue policies

INTRODUCTORY INFORMATION

A. My committee assignments

My Senate Standing Committee assignments this year were:

- Senate Ways and Means Committee – Vice Chair for Capital Budget (new this year)
- Senate Water, Energy and Environment Committee – Member (Chair during prior years)
- Senate Natural Resources and Recreation Committee – Member
- Senate Rules Committee – Member

My committee assignments during the interim (the time between sessions) include:

- Standing Committees listed above, each of which have several interim meetings
- Select Committee on Pension Policy
- Select Committee on Drought
- 63-20 Advisory Committee

Other roles:

- Capital Campus Design Advisory Committee
- Legislative International Caucus – Co chair
- National Council of State Legislatures – Member of Nuclear Waste Roundtable
- Council of State Governments-West – Member of Energy Committee
- Washington-Hyogo (Japan) Legislative Friendship Association – Convener
- Combined Fund Drive Board of Directors – Member

If you have policy interests related to any of these entities, I'd appreciate your contacting me.

B. My contact information

Mailing address: PO Box 40422, Olympia, WA 98504-0422

Office location: Room 404, Senate Chamber, Legislative Building, Olympia

Email address: Fraser.Karen@leg.wa.gov

Telephone: 360-786-7642

Fax: 360-786-1323

C. Senate Democrats' Goals and Values

We want Washington to be the best state in the country, with a healthy citizenry, a vibrant economy, great schools, excellent and accessible health care for all, a clean and healthy environment, and responsible, responsive state and local governments.

We can't continue to *just* make cuts and expect to achieve these goals and the quality of life we all want. We must invest in services and infrastructure to make this happen.

D. Action data

This was one of the most productive sessions in recent history.

Bills. The Legislature sent a record 523 bills to the Governor for her action. The average during the last 10 years has been about 400 bills during the 105-day sessions. The Legislature sent about 21% of bills introduced to the Governor. Usually, it's about 18%.



Gubernatorial appointments. The Senate confirmed 122 gubernatorial appointments – about 36% of those submitted. This is a huge increase over last year, when only 2 of 110 submitted were confirmed (less than 2 percent).

Finished “on time.” We completed all work within the constitutional limit of 105 days. We enacted much major legislation and three budgets: Operating, Capital (which I chaired in the Senate), and Transportation (which included a challenging gas tax increase). No general taxes

were raised; several non-general taxes and fees were increased; some budgets were cut; and some important priorities remained unfunded or underfunded.

Met major fiscal challenges. When the Legislature convened in January, the shortfall was projected to be \$1.8 billion. After a February Washington State Supreme Court ruling on the estate tax, that shortfall was compounded by an additional \$500 million, for a total deficit of \$2.2 billion. We met this challenge by passing an operating budget that focuses on education, health and safety without a general tax increase. This was in spite of the fact that during the last 4 years, \$2 billion was cut from the budget. It was achieved by making cuts, reprioritizing, and enacting a few non-general tax increases: tobacco, alcohol, re-enacting but reducing the estate tax, and a few others.

I. LOCAL HEADLINES

Measures that passed

A. State employees

Kudos to state employees ! The National Policy Research Council this year ranked Washington's state government the best in the nation based on 250 different measures. The lion's share of the credit goes to our hard-working, capable, dedicated state employees!

Salaries. Cost of living increases were finally approved for the first time since 2001, based on the first ever Collective Bargaining Agreement. Increase will be 3.2% the first year, and 1.6 % the second year. Employees whose salaries are more than 25% behind salary survey comparables will have their salaries increased to the 25% behind level.

Part-time college faculty. \$4.5 million was appropriated to improve pay equity.

State Patrol. They receive what other state employees get plus 3.8% on July 1, 2005.

Health insurance. Health benefits: All state employees will receive equal health insurance benefits and state subsidy amounts. Premium amounts paid by each employee will be kept at about 12% of the total premium cost.

FTEs. The number of state employee positions (full time equivalent) for general state government and higher education increased by less than one percent. Within this change, cuts were made to some areas and additions were made to others.

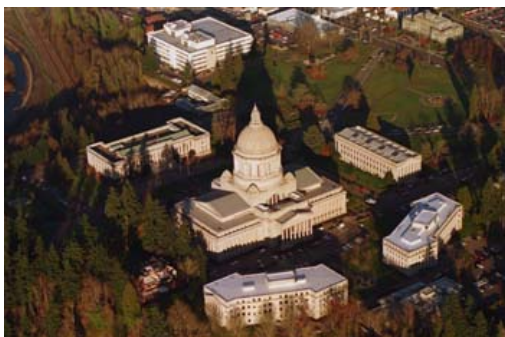
Voluntary reduction incentives. As a means of adjusting to budget cuts and other constraints, state agencies are authorized to offer retirement incentives and to allow employees to take voluntary separation, time off, etc.

B. State Capital Improvements – nearly \$71 million in State Capital-area

Total state government capital appropriations in Thurston County in the Capital Budget:

State government buildings	\$ 29.2 million
Higher education buildings	\$ 41.7 million
TOTAL	\$ 70.9 million

New Executive Office Building and State Library building predesign. Coordinated predesign of a new Executive Office Building and a State Library Building (to also house some Archives and state historical items, and some retail uses) on the two blocks at the north side of the West Campus. They will replace the seriously deteriorating, ineffective, under-utilized state buildings: the ***General Administration Building*** block, and the ***parking garage/small office building/children's museum*** building block immediately to the east.



New office space will be designed for statewide elected officials, high-density general office space, and employee and visitor parking, thus contributing to re-emphasizing the Capital Campus as the focus

of state government and alleviating a variety of problems. Returning the State Library to the Capital Campus, together with creating space for improved public access to Archives documents and historical displays, will contribute to the quality of state government and visitor experiences.

Other Capital Campus projects. Multiple facilities on campus are funded for completion, renovation, repair, or renewal: Cherberg, Pritchard, Transportation, Highway-License, Natural Resources, Office Building 2, State Capital Museum, Legislative Building, State Historical Museum, disability-friendly campus walkways, East Plaza Parking Garage, *Heritage Park basic completion* (at last!), and other historic preservation projects.

Off-Campus buildings

State Parks and Recreation Department. New headquarters building to be predesigned.

Dept. of Fish and Wildlife building near the Farmer's Market is authorized to be sold.

State Capital Museum. Repairs are funded.

Capitol Lake. \$270,000 for the state's share in an intergovernmental process for conducting an environmental analysis and evaluating options for the future of the lake.

C. Higher education



The Evergreen State College.

Additional students. 105 additional students are funded, bringing the total to 4,143.

Buildings. A total of \$33.6 million is appropriated for capital projects. They include:

Evans Library Building. Modernization to significantly improve safety and effective use of space.

Lab I Building. Remodel the first floor, for more effective use.

Seminar II Building. Finalize this new building, which has won national architectural awards for being a high quality "green" building.



SOUTH PUGET SOUND COMMUNITY COLLEGE

South Puget Sound Community College.

Additional students. Funds 118 additional students.

Buildings. A total of \$3.4 million is appropriated for building expansion.

Humanities/General Education Complex. Continued construction funding.

Science Complex. Design funded.

Learning Resource Center. Predesign funded.

Satellite campus. An additional \$4.7 million is appropriated to assist the College in purchasing land in east Lacey/Hawks Prairie area for a permanent satellite campus to serve those who live in this rapidly growing area.

See also the Higher education section, below.

D. K-12

Voter initiatives for education funded, after having been suspended for a biennium. These include voter directives to provide cost of living increases for teachers and class size reductions.

Increased school building match. The largest increase in state matching of local school construction levies was included in the capital budget -- about a 40% increase. Our local school districts, which pass special construction levies during the next two years, will benefit.



School safety mapping. Mapping of middle and grade schools will begin. High schools have been completed.

New Market Skills Center. \$2.5 million to help construct a new building to expand their programs.

Other skills centers. Financial incentives are provided to school districts to encourage student participation in skills centers.

See also the statewide K-12 section, below.

E. Thurston County justice system

We:

- Enacted significant revenue assistance for our Superior Court system, which will benefit services of the Thurston County Superior Court;
- Authorized an additional judge for Thurston County District Court; and
- Provided authority and a funding source to better treat mental health and substance abuse problems in order to reduce court cases, reduce jail and prison populations, and improve people's lives.



F. Local area projects (non-transportation)

Housing and social services

Housing Trust Fund grants:

Catholic Community Services. \$1.5 million to build 51 units of emergency shelter, transitional and multi-family housing, including 35 studio units for the chronically homeless.

Evergreen Vista II. \$1.5 million to build 51 permanent housing units for low-income persons.

Safeplace. \$600,795 for 28 emergency shelter beds.

Behavioral Health Resources. \$400,000 to assist with building needs.

Olympia Child Care Center. \$ 90,000 to assist with building needs. Staff will benefit from a new “salary ladder.”

Hands On Children’s Museum. Rent reduction in their lease of state-owned space.

Tumwater Boys and Girls Club. \$400,000 to assist with building needs.

2-1-1 telephone assistance program. Thurston County, through the Crisis Clinic and Thurston County United Way, will be one of several pilot agencies to participate in a new national human service needs telephone referral network.

Condemned housing - Tenant relocation. The recent high-profile case of the condemned apartment complex in West Olympia served as a major impetus for passage of legislation to require landlords to pay to relocate tenants when the landlord has neglected maintenance for so long that the building has been condemned.

Recreation, natural resources, environment

Washington Wildlife and Recreation Program. Provides funding support for the following:

Lacey Regional Athletic Complex.

Woodard Bay Natural Resource Conservation Area.

Olympia Woodland Trail, Phase I development.

Kennedy Creek Natural Area Preserve.

Water quality projects funded:

Woodland Creek. Pollution load reduction (TMDL process).

Deschutes River. Early action pollution load reduction (TMDL process).

Equine education. Equine outreach and education for Thurston-Mason area.

Hood Canal. Over \$20 million appropriated for various water quality projects.

LOTT Sewer Plant. \$4.3 million is appropriated for a Secondary Clarifier.



New Deschutes River Hatchery in Tumwater. Predesign and fiscal planning is funded. Hatchery would be operated by Department of Fish and Wildlife and would improve fishing opportunities throughout South Puget Sound. The City of Tumwater is donating land. ***New Market Skills Center*** is planning educational programs.

Mashel State Park. Funds planning, site permit, and initial construction development at this new, long-planned park at the confluence of the Nisqually and Mashel Rivers, which was a recommendation in the Nisqually River Management Plan about 20 years ago.

Thurston County ORV Sports Park. Authorizes Thurston County to take actions which will preclude a lawsuit by the state against the county.

Nisqually and Chehalis Watershed Councils. Each should benefit from grant programs to fund core organizational needs of such councils, which help implement completed watershed plans.

Heritage projects funded:

Crosby House. \$70,900 for improvements to this historic structure in Tumwater.

Sandman Foundation. \$10,000 to help with historic Puget Sound tug restoration.

Squaxin Island Tribal Museum Library and Research Center. \$210,539 to assist with development.

Community resources.

Olympia Armory Building. Will be surplus after the Department of the Military consolidates Readiness Centers in Olympia and Centralia. Predesign funds are appropriated to develop alternatives for this consolidation.

TVW. \$3 million to upgrade aging production equipment from analog to digital.



Farmers' Market. Doubles the number of participants in nutrition programs who will be able to use their coupons to shop at the farmers' markets throughout the state.

G. Transportation projects

This was a major session for funding transportation projects that will improve safety, enhance our economy and reduce growing congestion. On the following lists, those projects funded from with new gas tax are marked with an asterisk (*).



***Highway 101 interchange study.** Study potential new interchange west of Black Lake

Boulevard. City of Olympia will pay half of study.

Port of Olympia rail line. \$375,000 to assist with rail line upgrade.

***I-5 noise wall.** \$5 million for noise walls near Thompson Place during 2009-11 years.

***I-5 Tumwater to Centralia.** Widening projects.

***Yelm Bypass.** Construction of a Highway 510 loop around Yelm.

I-5 Nisqually Bridge. Seismic and safety upgrades.

Capitol Boulevard Bridge over I-5. Paint

\$17.7 million for local roads and streets. During the next 16 years, local jurisdictions will receive the following additional amounts as shared revenue from the state, for local needs, from one cent of the gas tax increase:

Lacey	\$ 2.6 million
Olympia	\$ 3.5 million
Tumwater	\$ 1.0 million
Thurston County	\$10.0 million
South County towns	\$ 0.6 million

TOTAL \$ 17.7 million

Major regional projects

Many improvements beneficial to 22nd District drivers and economy will be made north and south of us on I-5 during the next 16 years from the new gas tax. They include: Highway 167, I-405, the Alaskan Way Viaduct, the Highway 520 bridge, a new connection between Highway 509 and I-5, I-90 east of Snoqualmie Pass, and a new Hood Canal Bridge. For many of these large projects, the state gas tax money will have to be matched by local and/or federal funds.

II. STATEWIDE HEADLINES

Measures that passed

A. Higher education funding increased 13%

Additional students. Funds nearly 8,000 additional student enrollments statewide, for new and transfer students. This is about 1/3 of the estimated 26,000 additional slots needed by 2010.



Increased financial aid. Increases the family income threshold for eligibility for a State Need Grant to 65% of median income (\$43,000 for a family of 4), which will qualify more students. It was 55% of median income (\$36,300).

Tuition. Authorizes increases in resident undergraduate tuition: 7% for UW and WSU, 6% for TESC and regional universities, and 5% for community colleges. Some will be able to offset this with increased financial aid programs.

Strengthens the Guaranteed Education Tuition program.

Expanding higher education opportunities .

Branch campuses authorized to expand to include lower division courses. UW-Tacoma, UW-Bothell, and WSU-Vancouver are authorized to offer lower division courses, and no longer be restricted solely to 3d and 4th year courses.

New 4-year nursing education facilities. Funded at the WSU-Spokane Riverpoint Campus, which serves four institutions, and at Columbia Basin College in the Tri-Cities. Will help alleviate nursing shortages.

Community college construction. They will receive about \$460 million.

Four-year college/ university construction. They will receive about \$430 million.

Korean Studies. A Korean Studies Chair was endowed at the Jackson School at the University of Washington with state and donated private funds.

Autism Centers. Are funded at UW-Tacoma and Eastern Washington University.

Nursing education. Increases nursing education opportunities in Spokane and Tri-Cities.

Adult Basic Education. Funds expansion of this community college program.

Effectiveness of expenditures. Appropriates \$1.7 million for a comprehensive review of the state's higher education, K-12, and early learning system to ensure effective expenditures.

B. K-12 funding increased by 9+ %

Funding improvements were very significant.

Voter initiatives fully funded, after having been suspended for a biennium. These include cost of living increases for teachers (Initiative 732) and class size reductions (Initiative 728).

Major increase in state match for local school construction. This year's Capital Budget has been hailed as the best school construction budget in the history of the state, for both new construction and remodeling, increasing matching amounts between 15-40%, for a total of \$600 million. This was achieved by reversing the traditional relationship in the Capital Budget between K-12 schools and prisons. Traditionally, prison construction receives twice as much in the Capital Budget as K-12 school construction.

Levy equalization. Restores some of the cuts made last biennium. Increases it by 12%.

Making education work for every student. Improves funding to provide teachers the tools to help students with dyslexia, and other language disabilities. Improves funding for special education. Enhances the Learning Assistance Program for struggling students. Retains the Readiness to Learn Program.



Skills Centers. Provides \$1.2 million for incentive grants for school districts to encourage them to maintain or increase the number of participating students.

Effectiveness of expenditures. Appropriates \$1.7 million for a comprehensive review of the state's early learning, K-12, and higher education system to ensure effective expenditures.

WASL. Beginning with the class of 2008, students will have to pass this test to graduate from high school. In view of the importance of this test, and the fact that not all students test well on pencil-and-paper tests, the Legislature provided for equally rigorous alternative assessments if a student fails the test twice. The issue of alternative assessments will be revisited next year.

Safe schools.



Safety mapping. Extends the school safety mapping program to middle and grade schools. Recently, all high schools in the state were mapped.

Safe school personnel. Increases penalties for sexual misconduct of school personnel.

Safe Internet use. Funds a campaign to teach parents and children about how to stay safe while using the Internet.

Early learning. Establishes an Early Learning Council in the Office of the Governor to provide parents better, more detailed information on quality child care options.

Education governance at the State level. Revises the organization and roles of the State Board of Education and the Professional Standards Board. Eliminates the A+ Commission.

Additional revenue sources for education. Revenues from an increased cigarette tax and a reinstated, but reduced, estate tax, will go into a new Education Legacy Trust, which will support Initiative 728 (class size reductions), higher education enrollments and financial aid, and other education needs.

C. Public safety – Prisons v. schools

Stabilizing expensive prison populations allows more money for school buildings. This year, in the Capital Budget, we reversed the traditional relationship between allocation of bonds for K-12 school buildings and for prison buildings. Traditionally, the Capital Budget allocates twice as much to prisons as to K-12 school buildings. ***This session, we reversed this relationship, and allocated twice as much for school buildings as for prison buildings.***

In order to maintain this reprioritization, we must develop policies that will put pressure on stabilizing prison and jail populations, rather than too easily allowing them to continue to grow and thus take away funds from education and other services. Citizens and public officials need to engage in a dialog about how we can improve sentencing policies and prevention strategies, such as better treatment for substance abuse, mental illness, anger management, and other problems. Consistent with this goal, this session we enacted landmark legislation to improve treatment for people with combined mental health and substance abuse problems, and to significantly improve access to mental health treatment.

Such approaches are both more humane and more cost-effective for taxpayers. It costs taxpayers about \$30,000 per year to house a prisoner, about \$7,700 per year to educate a K-12 student, and about \$ 7,800 per year to educate an undergraduate higher education student (student tuition is \$2,569 additional). Public money is very tight, so it's in everyone's interests to avoid unnecessary incarceration (for a K-12 student, the state pays 68 percent of all costs).

To this end, the Capital Budget directs that a study be undertaken to recommend policies to stabilize prison populations, to be undertaken by the Washington Institute for Public Policy and the Sentencing Guidelines Commission.

New medium-security prison. We authorized construction of a new medium-security prison in Connell, north of the Tri-Cities, with 1,300 beds, incorporating a variety of innovative cost-effective features. The prison is designed to allow the 500-600 prisoners now being sent out of state to mostly private prisons to be returned to Washington. This should provide better accountability, improved rehabilitation programs, and more frequent contact with families. The prison will also alleviate severe overcrowding at the Shelton Corrections Center. The prison size will not have much excess capacity, so it should not serve as an incentive to too easily incarcerate for too long.

D. Physical health care

Children. We reversed policy decisions made in 2002 and 2003, and provided funding that is expected to result in an additional 38,000 low-income children having access to health care services. This was done by:

Eliminating premiums that were going to be imposed last year that would have caused 4,200 children to not receive care.

Eliminating administrative hassles that were keeping about 25,000 children from receiving care.

Funding for 8,750 immigrant children to receive coverage through a state-only funded Medicaid program.

Establishing a goal for all Washington children receiving health insurance by 2011.

Reauthorizing the state-funded Children's Health Program for poor children who are not eligible for federal Medicaid.

Basic Health Plan. Maintains coverage for 100,000 adults in this basic insurance program serving low income persons.



Medicaid providers rate increase. \$34 million is appropriated for modest increases in reimbursements to medical professionals providing services to Medicaid patients. It should be more. Health providers are significantly under-reimbursed, and many now decline to take state-funded patients.

Medicaid client drug and transportation needs. Provides for no co-pays, which is a barrier to providing service.

Prescription drugs.



Purchasing consortium created. Will allow local governments, private businesses, unions and uninsured citizens to join the state bulk purchasing savings program. Will save taxpayers over \$100 million.

Canadian drugs. Authorizes the State Board of Pharmacy to license Canadian mail-order pharmacies, so that we can buy drugs from Canadian wholesalers.

Prescription Drug Foundation created. This will help uninsured, low-income individuals obtain free or low-cost medicines from manufacturer discount programs.

Encouraging physical fitness. We enacted a law to expand access to opportunities for physical exercise, through local land use planning policies, school-based activities, and a state work-site health promotion program.

Nurses.

A new Nursing Resource Center is created to be a central resource for all issues affecting the nursing profession.

Increasing nurses and nursing education. Increases nursing education facilities in Spokane and the Tri-Cities.

E. Mental health care

Background. This was a major session for advancements in mental health services. Each year, 10 million children in the U.S. suffer from diagnosable mental illness, as do more than 45 million adults. Fewer than 20% of children and 33% of adults in need of care receive professional treatment. The price for this lack of treatment is high: poor educational achievement, less productive employment, increased crime, increased taxpayer costs for incarceration and other related expenses, and reduced quality of life for the ill and their families.

Mental health parity. Landmark, long-sought legislation requires health insurance companies to provide the comparable level of treatment for diseases of the mind as is provided for diseases of the body. It bars insurers from requiring higher co-pays, deductibles, or other out-of-pocket expenses for mental health treatment than they require for other medical services. Discriminatory limits on treatments, doctor visits, and coverage for catastrophic expenses are also banned.

Mental health services protected. Provides \$80 million to make up for cut in federal funds for mental health services for low income persons. This is critical to maintaining public safety.

Mental health reform. Focuses mental health service delivery on the concepts of recovery, resilience, and evidence-based practices. Reinstates Medicaid eligibility for mental health services for people released from prison or jail.

Mental health and chemical dependency. Overhauls the way Washington provides treatment to persons who suffer from both problems in combination. Provides for expanded access to integrated treatment, with the goals of reducing hospitalizations, crime, prison and jail populations, court costs, and foster care needs of children whose parents have these problems. Authorizes a local option 1/10 of 1% sales tax to provide for local services. Should save the taxpayers billions of dollars in future years.

F. Election reform

Omnibus election reforms. An omnibus election reform bill was enacted containing a wide variety of provisions that protect rights of law-abiding voters and restore trust in our election system. It includes:

All poll-site voters will have to show ID.

Statewide signature verification standards for absentee ballots will be established.

Voters whose ballot signatures do not match the county's records will be so informed and sent a new registration form to confirm the signature.

A statewide voter database will be developed, which will be consistently updated with Names of deceased persons and convicted felons. In another bill, scrubbing of county voter lists for such persons is required, and the Secretary of State will review quarterly. Provisional and absentee ballots will not be capable of being counted at poll-site machines.

Certification period will be lengthened to 21 days to allow more time for return of military ballots.

Ballots will no longer be "enhanced" when machines cannot read them, but a duplicate ballot would be created so the ballots can be counted. An audit trail will link the duplicated ballot to the original, unchanged ballot.

All-absentee voting elections. Makes it permissive for individual counties to choose to have all-absentee voting, subject to voter approval.

Paper trail. Requires electronic voting machines (currently used in 2 counties) are required to have a voter-verifiable paper trail. Random audits will occur.

Military voters' options. Requires the Secretary of State to assure that military voters are well informed of all voting procedures and the many options available to them for voting.

G. Natural resources and environment

Cleaner cars. Adopted much stricter auto emissions standards for new cars beginning in model year 2009, which will improve public health, reduce dependence on foreign oil, and give consumers more options when purchasing vehicles.



Green Buildings. Adopts high performance standards for environment and energy to apply to state funded buildings, including education buildings. We're the first state to do this !

Hood Canal. The oxygen-starved "dead zones" in Hood Canal were a key priority. We enacted legislation designated new "aquatic rehabilitation zones" in the Canal, and appropriated over \$20 million with septic system improvements and funding to assist local health departments in implementing strengthened septic system monitoring and maintenance programs..

Ocean Policy Review. The Governor's Office will lead a review of the state's ocean policies and programs and determine statutory and funding needs for Washington.

Oil Spills. Creates an independent Citizens' Oil Spill Advisory Council to monitor oil terminal and tanker operations and review the adequacy of oil spill contingency plans in our marine waters.

Water resources policy. Funded a variety of needs, including metering of water withdrawals from streams and aquifers, assisting irrigators with efficiency improvements, purchasing or leasing water rights to improve fish passage stream flows, and funding to complete planning and



beginning implementation of watershed-level comprehensive water resource management plans. Interim projects will include work of a newly created ***Legislative Drought Committee*** (to which I have been appointed) and a new ***Columbia River Task Force***.

Salmon. Regional recovery efforts such as the Puget Sound Shared Strategy, as well as regional groups in southeast and southwest Washington, are provided a greater role in implementing the state's "Extinction Is Not An Option" strategy for salmon recovery.

Puget Sound. The budget appropriates \$29.5 million to fund ongoing elements of the Puget Sound Water Quality Management Plan, which is additional to the Hood Canal funding noted above. I proposed legislation to strengthen the role of citizens and local governments in the Puget Sound Action Team's work, which passed the Senate but not the House. I'll be pursuing this again next session.

Toxics reductions. \$1.4 million is included in the budget for the Department of Ecology's program to reduce some of the worst chemicals in use today, including PBDE, used primarily as a flame retardant, which is now found even in mothers' milk !

Toxics clean up assistance for homeowners and small businesses. An information assistance program for homeowners and small businesses who find their property has toxic contamination is established in the Department of Ecology.



Renewable energy. Bills were enacted to push Washington into a leadership role for renewable energy. They include: tax credits to owners of solar and other small renewable energy systems; tax incentives to manufacturers of wind turbine blades, with a larger incentive provided to Washington-based manufacturers (most are made overseas), solar photovoltaic (PV) cells and other components of renewable energy systems.

Energy efficiency. Legislation passed that will require higher levels of efficiency in products such as commercial refrigerators and freezers, traffic signals, and light bulbs. This will conserve millions of gallons of water and save consumers millions of dollars on electric bills.

H. Jobs and business

Background on Washington's positive business climate. Washington's economy has begun to rebound. Employment in Washington is increasing faster than in the nation as a whole. During the past year, we added more than 65,000 jobs, and unemployment decreased by 2%.

Independent studies confirm Washington is business friendly:

9th best in the nation for business-friendly tax climate, per the Tax Foundation.

4th friendliest for business environment, per the Small Business Entrepreneurial Council.

One of 10 most business friendly states per The Pollina Corp. Real Estate Company, a Nationally recognized expert in corporate site relocation.

31st for combined state and local tax burdens, per the US Census Bureau.

Life sciences sector promoted. Created a Life Sciences Discovery Fund, to invest substantially in life sciences research. Enacted an Ethical Transfer of Technology Act to make it easier for researchers in Washington to move commercially viable technologies to the marketplace.

Educational preparation for jobs and businesses of the future. Education is the foundation of and the key preparation for a prosperous future, for individuals and families, for communities and for our state. Education prepares a strong, capable, creative work force that can keep up with changing economy and technologies. (*See Education section for major actions.*)

Apprenticeships. Requires that apprentices perform at least 15% of labor hours on public works projects of \$1 million or more. (Puts into statute an existing Executive Order.)

Economic development infrastructure. In the Capital Budget, numerous infrastructure projects are funded in struggling communities to stimulate local economies through the Community Economic and Revitalization Board (CERB).

Business recruitment. Creates a strategic account using unclaimed Lottery Prize money.

Unemployment insurance. Increases unemployment benefits for seasonal workers without raising business taxes, by returning temporarily to 2-quarter averaging. This modifies a reduction made in 2003. Law expires in 2007.

Industrial insurance (Workers Compensation). Requires a more transparent method of rate-setting. Provides for an annual, independent audit of L&I's handling of premiums and its estimates of future costs. Encourages electronic reporting among employers, for cost-efficiency and limiting socialization of costs.

Employment references. Allows employers to share truthful information about former employees without risk of liability.

Transportation infrastructure. The large number of projects, large and small, in the transportation budget constitute a major investment in our state's economy. See the Transportation section below.

Low income loans. Expands the "Linked Deposit Program," which encourages private banks to make low-interest loans to women- and minority-owned businesses which have had difficulty accessing capital.

Individual Development Accounts. Creates a new program to encourage low income persons to save for higher education, creating a new business, purchasing a new home, or other significant investment. The state matches the individual's savings.

I. Transportation

Major safety improvements. The 16-year transportation spending plan funds more than 300 highway, bridge and intersection improvements in every county in the state. Includes needed major projects in the Puget Sound area that will clearly be beneficial for Thurston County residents: \$2 billion for the Alaskan Way Viaduct, which is deteriorating and sinking; \$500

million for the aging highway 520 Bridge across Lake Washington, and \$992 billion for improvements to congestion-plagued Interstate 405. In some cases, federal matching funds will have be secured. In other cases, local voters will need to approve local matching funds.

“Alternative” transportation. Funded: a) “safe walking routes to school” program; b) new funding for transit, bike, and pedestrian improvements; c) trip reduction programs; d) an Office of Transit Mobility within the Department of Transportation; e) park and ride lots; f) freight and passenger rail; and (g) other strategies.

Park and ride locations. The Operating Budget directs the Department of Natural Resources to survey their “surplus” lands in the I-5 corridor for their suitability for park and ride lots.

Transportation revenues. These major, needed projects will be funded through a 9.5 cent increase in the gas tax, to be phased in over the next 4 years, and annual weight fees on passenger vehicles. The gas tax increase will be phased in: 3 cents in 2005; 3 cents in 2006; 2 cents in 2007; 1.5 cents in 2008. This year’s gas tax increase will cost a driver who travels 15,000 miles a year, at 25 miles per gallon, an additional \$1.50 per month.

The weight fee for passenger vehicles will be modest. Owners of most passenger cars, weighing up to 4,000 pounds, will pay \$10 more. Full size pickups will pay about \$20 more. Large SUV’s will pay about \$30 more per year. Motor homes will pay an annual flat fee of \$75. The fee for light utility trailers weighing less than 2,000 pounds will drop from \$30 to \$15 per year.

Strict accountability is established to reassure taxpayers that projects will be completed on time and within budget. Provides for extensive auditing, including independent audits.

City and county gas tax revenue sharing. One cent of the gas tax increase will be distributed to cities and counties for their use for local road and street needs. Half will go to cities, and half will go to counties.

Secretary of Transportation. Changed the appointing authority for this position from the state Transportation Commission to the governor.

J. Our heritage

Washington women’s history. I prime-sponsored a bill that creates a Washington Women’s History Consortium to help preserve and make available information about the unique history of Washington State that has resulted in our being a bellwether state for advancing rights and opportunities for women. It will be managed by the Washington State Historical Society. The Commission is also to make initial recommendations for commemoration of the centennial of Washington women’s right to vote in 2010.

Special historical projects: The Capital Budget contributes funds to numerous historic projects including: Tall Ships visit to Tacoma this summer; the Confluence Project along the Columbia River which honors the Lewis and Clark Expedition, featuring Mia Lin sculptures; restoration of the Barracks at Vancouver’s Officers’ Row; and many more throughout the state.

K. The arts

Provides funding support for a wide variety of activities and structures to promote, protect, and provide improved public access to many art forms: visual arts, auditory arts, performing arts. These include: arts educational opportunities, construction of performing arts centers, community arts projects, improved maintenance of art resources owned by the state, and grants to support local artists.

L. Consumer and income protection

Identity theft.

“Credit freeze”. Allows victims of identity theft the option of prohibiting a credit reporting agency from releasing credit information without their authorization. During the “freeze” a victim can restore their credit and prevent further unauthorized use of damaged information.

Police reports. Requires police departments to issue reports on cases of identity theft, so that consumers can use them to start repairing their credit, and investigators can use them to track down criminals.

Attorney General. \$1.6 million to expand their privacy and consumer protection work.

Payday lenders. Adopted the military’s “best practices” for payday loans to military borrowers, to protect military personnel from unfair practices.

Instant income tax refunds. Enacted regulation of “instant refunds” offered by tax preparers.

Life insurance on employees. Prohibits employers from taking out a life insurance policy on an employee that pays the employer when the employee dies, unless the employee provides written consent.

Travel insurance. Prohibits life insurers from refusing to insure people who have traveled to Israel, Columbia, Kenya, Nepal or any other country that might have appeared on the U.S. State Department’s “watch list,” unless it can be statistically shown that the applicant is a greater insurance risk.

Voluntary savings program for low income persons. Establishes this new program in Department of Community, Trade and Economic Development.

Social Security. A memorial to Congress opposes currently proposed changes.

M. Housing

Housing Trust Fund appropriated a record high of \$100 million. Funds are available to provide affordable housing and weatherization assistance for low income families, vulnerable children and adults, housing assistance for persons with developmental disabilities; \$1 million for victims of domestic violence; \$5 million for emergency shelters for homeless families with children; and \$8 million for seasonal farm workers.

Homeless Housing and Assistance Act. Requires counties, cities, state agencies, and service providers to work together to reduce homelessness in Washington by at least 50% in 10 years.

Manufactured housing homeowners' protection. Expands ombudsman and services to resolve disputes between owners of manufactured homes and owners of manufactured housing parks.

Tenant relocation away from condemned housing. Requires landlords to pay to relocate tenants, at the landlord's expense, if the landlord has neglected maintenance for so long that the building is condemned. A major impetus for this bill was the high profile case of the apartment complex in west Olympia, where many volunteers helped tenants move, and the City of Olympia incurred considerable expenditures.

N. Revenue policies

Revenue increases



Gas tax. Phases in over 4 years a 9.5 cent gas tax increase. The schedule is:

2005: +3 cents;
2006: +3 cents;
2007: +2 cents; and
2008: +1.5 cents.

½ cent of the 2005 and 2006 increases go to cities and counties (see also transportation sections).

Vehicle weight fee. Establishes a weight fee for vehicles weighing up to 8,000 pounds:

\$10 per year for those under 4,000 pounds;
\$20 per year for those between 4,000 and 6,000 pounds;
\$30 per year for those between 6,000 and 8,000 pounds.

Establishes a \$75 per year fee for motor homes.

Cigarettes. Increases by 60 cents per pack, to deposit into the Education Legacy Trust Account. Approves a cigarette tax compact with the Puyallup Tribe, whereby they will begin collecting and remitting to the state.

Liquor. Increases the liter tax by \$1.33.

Extended warranty sales tax. Exemption eliminated.

Due date for Real Estate Excise Tax payments. Requires sooner payment.

Tire disposal and recycling. Reinstates a \$1 per tire fee.

Boat registration fee. Increases by \$3, for lake weed and algae problems. Plus, a few other small ones.

Revenue decreases.

Coin-operated Laundromats. Exemption enacted.

Aircraft technology research and development. Exemption enacted.

Nursing home bed tax. Phase-out begun.

Estate tax. Re-enacts and reduces, following a State Supreme Court decision. Funding dedicated to the Education Legacy Trust Fund.

Agricultural equipment. Exempts from the sales tax equipment used to reduce field burning.

Fresh fruit and vegetable processing. (a) Exempts from the B&O tax; (b) exempts from the sales tax the construction of and machinery used in processing facilities and warehouses.

Utility trailers. Reduces annual fee from \$30 to \$15.

A Final Note

This Report contains only a partial list of enactments. If you have questions or comments, please contact me.

The End